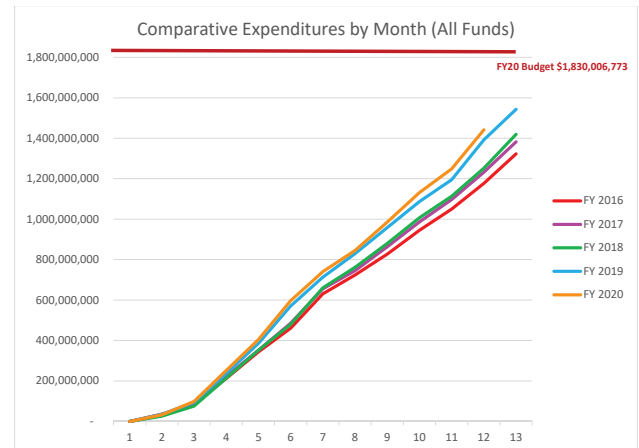
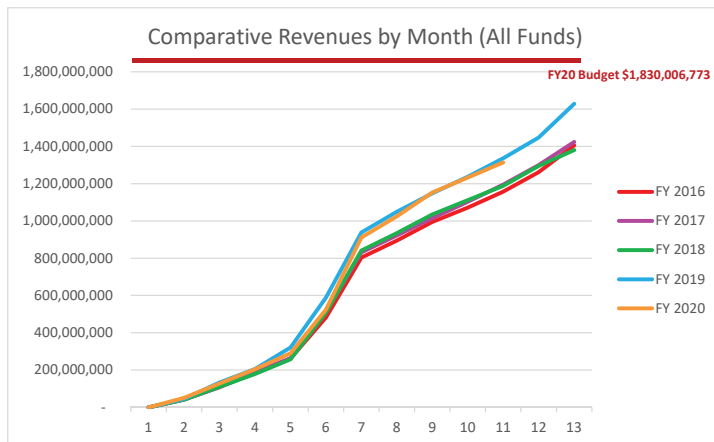
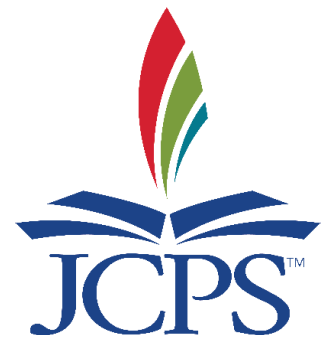


Notes of Interest

May Financial Report



Tax revenue sources and COVID 19:

In addition to affecting how we educate the next generation, COVID 19 will begin affecting our revenues. The national shutdown occurred late in the tax calendar, and most real estate taxes had already been collected. With the shutdown, tax deadlines have been extended. This will certainly increase our receivables. We will not know until mid summer how many delinquencies result from the terrible economic environment.

Items of Note:

- Property taxes, our largest revenue source each year, show a 4.8% gain over April of the previous year.
- Occupational taxes are down \$8.0 million from last year. We anticipate much of this downturn to be a result of the delayed corporate tax deadlines, but some of this will be due to unpaid taxes due to the COVID 19 strain on businesses.
- Other taxes have increased from previous years as Churchill Downs has been reassessed by the Property Valuation Administrator and began paying on a Payment in Lieu of Taxes contract. These contracts hold JCPS harmless when the Commonwealth, Metro Louisville, or another city within Jefferson County agrees to an incentive with a business for the purpose of bringing jobs into the county. This Churchill Downs payment was almost \$1 million. In addition, franchise taxes have continued their steady increase.
- SEEK state revenues continue to decrease as a result of the state funding formula, which lowers the amount sent to JCPS as our assessments increase.
- Interest rates have drastically reduced as the Federal Reserve reduced interest rates twice in March, with rates dropping 2.25%. This drop affects our outlook for the remainder of the 2019-2020 year and the forecast of the 2020-2021 year.
- Construction Fund fund balance varies depending on when bonds are sold to finance major construction and renovation projects. We sold a bond in October 2018, which is why other sources of revenues was significantly higher during the 2018-2019 year.
- Daycare operations revenues and expenses are decreasing as enrollment at the Georgia Chaffee Teenage Parent Program has decreased. This decrease is the continuation of a trend extending numerous years.
- We anticipate most of our fee-based enterprise funds, including Daycare, Enterprise Programs, Adult Education, and Tuition-based Preschool, will show revenue decreases due to coronavirus closures.